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EU-27

Oilseeds and Products

Oilseeds Update August 2008

2008

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Report Highlights:

The rapeseed harvest is almost concluded throughout the EU-27. Most member states report better yields than anticipated. As a result, EU-27 rapeseed production is now estimated slightly higher at 19 MMT, despite a reduction in the area estimate compared to the figure stated in the July report.

In contrast, EU-27 production of soybeans and sunflower seed is forecast lower than in last month's report mainly because of lower yield prospects in Romania. Sunflower seed production is forecast at 6.1 MMT and soybean production at 645,000 MMT.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Berlin [GM1]
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Introduction

This report presents the outlook for oilseeds in the EU-27. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data. Unless stated otherwise, the data presented reflects information as of August 20, 2008.

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Abbreviations used in this report

Benelux	= Belgium, the Netherlands, and Luxembourg
Ha	= Hectares (1 hectare = 2.47 acres)
MT	= Metric ton (1000 kg)
MMT	= Million metric tons
MS	= EU Member States
MY	= Marketing Year

Soybean Complex:

(Coordination: Marie-Cecile Henard)

PSD Table									
Country:	EU27								
Commodity:	Soybeans (in 1000 ha/1000 MT)								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Area	494	494	494	341	341	341	249	259	256
Beginning Stocks	740	978	740	1123	1399	1161	924	1093	833
Production	1228	1241	1241	723	723	728	654	680	645
Extra EU27 imports	15289	15291	15291	14500	14250	14400	13650	13700	13750
TOTAL SUPPLY	17257	17510	17272	16346	16372	16289	15228	15473	15228
Extra EU27 exports	47	47	47	41	13	40	35	20	30
Crush	14670	14555	14555	13940	13650	13800	13295	13200	13200
Food Use	117	109	109	117	108	108	118	105	105
Feed, Seed, Waste	1300	1400	1400	1324	1508	1508	1000	1350	1340
TOTAL Use	16087	16064	16064	15381	15266	15416	14413	14655	14645
Ending Stocks	1123	1399	1161	924	1093	833	780	798	553
TOTAL DISTRIBUTION	17257	17510	17272	16346	16372	16289	15228	15473	15228

Commodity:	Soybean Meal								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	14670	14555	14555	13940	13650	13800	13295	13200	13200
Extraction Rate	0.787	0.787	0.787	0.787	0.788	0.783	0.788	0.777	0.777
Beginning Stocks	866	866	866	852	1165	1165	856	965	973
Production	11550	11450	11450	10971	10750	10800	10470	10250	10250
Extra EU27 imports	22075	22168	22168	23400	23450	23400	23000	22800	22800
TOTAL SUPPLY	34491	34484	34484	35223	35365	35365	34326	34015	34023
Extra EU25 exports	547	527	527	400	500	490	350	500	500
Industrial	10	10	10	10	10	10	10	10	10
Food Use	32	32	32	32	32	32	32	32	32
Feed, Seed, Waste	33050	32750	32750	33925	33858	33860	33080	32518	32515
TOTAL Use	33092	32792	32792	33967	33900	33902	33122	32560	32557
Ending Stocks	852	1165	1165	856	965	973	854	955	966
TOTAL DISTRIBUTION	34491	34484	34484	35223	35365	35365	34326	34015	34023

Commodity:	Soybean Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	14670	14555	14555	13940	13650	13800	13295	13200	13200
Extraction Rate	0.180	0.179	0.179	0.180	0.182	1.181	0.180	0.180	0.180
Beginning Stocks	194	194	194	200	234	234	195	256	286
Production	2640	2600	2600	2510	2480	2500	2393	2380	2380
Extra EU27 imports	969	969	969	1000	1220	1200	950	1370	1370
TOTAL SUPPLY	3803	3763	3763	3710	3934	3934	3538	4006	4036
Extra EU27 exports	243	243	243	375	300	310	250	300	300
Industrial	1555	286	286	1385	290	280	1350	290	290
Biofuels		1280	1280		1300	1300		1400	1400
Food Use	1675	1580	1580	1625	1600	1570	1620	1600	1600
Feed, Seed, Waste	130	140	140	130	188	188	130	200	200
TOTAL Use	3360	3286	3286	3140	3378	3338	3100	3490	3490
Ending Stocks	200	234	234	195	256	286	188	216	246
TOTAL DISTRIBUTION	3803	3763	3763	3710	3934	3934	3538	4006	4036

EU-27:

MY 07/08 trade data were revised based on October 2007/May 2008 (8 months) import and export data, for soybeans, soybean meal, and soybean oil. Increased imports in MY 07/08 are expected to result in higher crush than expected in the July update (E48088). In line with higher soybean meal and oil production, imports of soybean meal and oil were slightly revised down. In addition, exports of soybean oil were increased based on eight month trade data for MY 07/08.

In MY 08/09, soybean production was slightly revised down from E48088 due to reduced production estimates from Romania. As a result, imports were revised up.

Comments from Member States**France**

The 2008 production forecast for France was revised downwards to 70,000 MT. On interest, French imports of soybean oil were revised from 200,000 to 230,000 MT in MY 07/08 and 08/09. This is expected to result in higher consumption of soybean oil in both biofuels and food use.

Romania

Due to the continuous dryness, the yields were revised down by 20%, resulting in a lower total production. Under these conditions, the soybeans imports were raised accordingly to cover the crushing demand. Soybean meal imports were also revised up with 20,000 MT, along with the feed use.

Rapeseed Complex

(Coordination: Sabine Lieberz)

PSD Table									
Country:	EU27								
Commodity:	Rapeseed (in 1000 ha/1000 MT)								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimate s (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Area	5,408	5,408	5,408	6,564	6,553	6,554	6,404	6,420	6,350
Beginning Stocks	1,600	1,727	1,600	1,460	1,653	1,576	1,023	1,000	1,000
Production	16,087	15,904	15,904	18,333	18,375	18,400	18,757	18,800	19,000
Extra EU27 imports	432	432	432	660	650	650	1,550	1,550	1,550
TOTAL SUPPLY	18,119	18,063	17,936	20,453	20,678	20,626	21,330	21,350	21,550
Extra EU27 exports	75	75	75	390	390	390	310	310	360
Crush	15,720	15,535	15,535	18,240	18,588	18,536	19,100	19,350	19,440
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	864	800	750	800	700	700	740	690	750
TOTAL Use	16,584	16,335	16,285	19,040	19,288	19,236	19,840	20,040	20,190
Ending Stocks	1,460	1,653	1,576	1,023	1,000	1,000	1,180	1,000	1,000
TOTAL DISTRIBUTION	18,119	18,063	17,936	20,453	20,678	20,626	21,330	21,350	21,550

Commodity:	Rapeseed Meal								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Crush	15,720	15,535	15,535	18,240	18,588	18,536	19,100	19,350	19,375
Extraction Rate	0.576	0.571	0.571	0.576	0.574	0.575	0.572	0.568	0.569
Beginning Stocks	95	95	95	87	261	261	102	250	250
Production	9,050	8,865	8,865	10,500	10,670	10,650	10,930	11,000	11,060
Extra EU27 imports	106	106	106	105	110	110	110	90	90
TOTAL SUPPLY	9,251	9,066	9,066	10,692	11,041	11,021	11,142	11,340	11,400
Extra EU25 exports	64	64	64	170	180	180	175	160	170
Industrial	-	-	-	-	23	23	-	33	33
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	9,100	8,741	8,741	10,420	10,588	10,568	10,860	10,867	10,917
TOTAL Use	9,100	8,741	8,741	10,420	10,611	10,591	10,860	10,900	10,950
Ending Stocks	87	261	261	102	250	250	107	280	280
TOTAL DISTRIBUTION	9,251	9,066	9,066	10,692	11,041	11,021	11,142	11,340	11,400

Commodity:	Rapeseed Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)
Marketing Year Begin	07/2006			07/2007			07/2008		
Crush	15,720	15,535	15,535	18,240	18,588	18,536	19,100	19,350	19,375
Extraction Rate	0.415	0.409	0.409	0.415	0.406	0.406	0.418	0.408	0.409
Beginning Stocks	213	192	213	211	200	221	171	265	266
Production	6,520	6,353	6,353	7,575	7,550	7,530	7,983	7,900	7,950
Extra EU27 imports	727	727	727	310	290	290	250	430	430
TOTAL SUPPLY	7,460	7,272	7,293	8,096	8,040	8,041	8,404	8,595	8,646
Extra EU27 exports	51	51	51	120	130	130	125	130	130
Industrial	4,768	530	530	4,950	480	445	5,600	480	455
Biofuels	-	4,410	4,410	-	5,055	5,015	-	5,600	5,566
Food Use	2,425	2,071	2,071	2,850	2,100	2,175	2,475	2,100	2,215
Feed, Seed, Waste	5	10	10	5	10	10	5	10	10
TOTAL Use	7,198	7,021	7,021	7,805	7,645	7,645	8,080	8,190	8,246
Ending Stocks	211	200	221	171	265	266	199	275	270
TOTAL DISTRIBUTION	7,460	7,272	7,293	8,096	8,040	8,041	8,404	8,595	8,646

EU-27:

Rapeseed harvest is completed or close to completion in most EU member states. First industry reports suggest that yields are as good as or better than expected in most member states. Only the Czech Republic, Sweden, and Spain report lower than expected yields. As a result, EU-27 rapeseed production is estimated to be higher than expected in the previous report (E48088) despite a downward revision in the rapeseed area predominantly in Germany, Finland, and the Czech Republic, which was only partially compensated by an upward acreage revision in France. The larger rapeseed availability is expected to lead to higher exports (mainly from Bulgaria) and higher crush (mainly in France and Finland) compared to the previous report.

Comments from Member States

Bulgaria

Rapeseed harvest was completed and the first official early harvest data shows higher than expected production of 230,000 MT. Planted area was also revised slightly upward based on final official numbers. The higher crop is likely to boost exports, mainly to the EU member states while local consumption will remain unchanged. Better profit margins compared to grain and other oilseed crops in MY08/09, may lead to significant increase in planted area in the fall. According to industry sources, planted area may reach 130,000 ha compared to 94,000 ha in 2007. Rapeseed is actively traded for exports. Romania and Turkey are the main destinations. Exports to date (August 15) are at least 60,000 MT; some industry sources estimate exports at 135,000 MT (July 1 – August 10).

Czech Republic

Updated information from the Czech Office of Statistics lead to a downward revision of the rapeseed area. Yields were negatively affected by hail and heavy rains during harvest. As a result, production is estimated lower than previously expected.

France

French rapeseed harvest is now completed and the French Ministry of Agriculture released its preliminary estimate in the first half of August. Production and acreage in 2008 were therefore revised to more than 1.5 million ha and almost 5 million MT. Both acreage and yields were higher than anticipated. The decline in acreage by 100,000 ha from 2007 to 2008 is more than offset by higher yields, resulting in a 300,000 MT higher production.

As a result of higher production, rapeseed crush expectations were revised up. Increased rapeseed meal production is anticipated to result in higher animal feed consumption, while increased rapeseed oil production is expected to result in higher biofuels consumption in MY 2007/08.

Germany

Harvest is almost but not entirely concluded. Reported yields show a large geographical variation. With the exception of the South (Baden-Wuerttemberg and Bavaria), yields reportedly exceed expectations. The reported oil content is good to very good and ranges from 39 to 46 percent. However, frequent rains during harvest resulted in elevated moisture contents and farmers face higher drying costs.

The German Federal Office of Statistics (*destatis*) has revised the preliminary rapeseed area estimate to 1.37 million ha down from the previously estimated 1.42 million ha and compares to 1.54 million ha in 2007. The German Ministry of Agricultural has issued a first preliminary crop estimate on August 27 and estimates production at 5.1 MMT. This is a decline of 3 percent compared to last year's production of 5.3 million MT.

The lower production is not expected to have an adverse effect on the domestic crush as the gap is expected to be filled by higher rapeseed imports.

Romania

Although the rapeseed harvesting is completed in Romania, official data is not yet published. The yields obtained this year varied between 1.7 - 1.9 MT/ha, higher than the previous estimate. Thus, the total production figure was increased by 10% compared to the July report. The additional output is expected to be directed to exports, the estimate totaling now around 400,000 MT for intra and extra EU exports combined.

Sunflower Seeds Complex

(Coordination: Monica Dobrescu)

PSD Table									
Country:	EU27								
Commodity:	Sunflower Seed (in 1000 ha/1000 MT)								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Area	3,978	3,943	3,943	3,424	3,389	3,389	3,626	3,600	3,600
Beginning Stocks	662	662	662	630	500	500	333	160	170
Production	6,502	6,482	6,482	4,781	4,760	4,770	6,389	6,200	6,170
Extra EU27 imports	570	570	570	265	300	300	560	450	450
TOTAL SUPPLY	7,734	7,714	7,714	5,676	5,560	5,570	7,282	6,810	6,790
Extra EU27 exports	749	749	749	460	480	480	725	650	630
Crush	5,501	5,600	5,600	4,350	4,350	4,350	5,550	5,250	5,250
Food Use	210	220	220	220	220	220	225	225	225
Feed, Seed, Waste	644	645	645	313	350	350	452	430	430
TOTAL Use	6,355	6,465	6,465	4,883	4,920	4,920	6,227	5,905	5,905
Ending Stocks	630	500	500	333	160	170	330	255	255
TOTAL DISTRIBUTION	7,734	7,714	7,714	5,676	5,560	5,570	7,282	6,810	6,790

Commodity:	Sunflower Meal								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)	USDA official	E48088	Post Estimates (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	5,501	5,600	5,600	4,350	4,350	4,350	5,550	5,250	5,250
Extraction Rate	0.545	0.530	0.530	0.545	0.531	0.531	0.546	0.530	0.530
Beginning Stocks	107	105	107	87	98	100	43	78	75
Production	3,000	2,970	2,970	2,370	2,310	2,310	3,028	2,780	2,780
Extra EU27 imports	1,770	1,770	1,770	1,650	1,650	1,640	1,550	1,550	1,550
TOTAL SUPPLY	4,877	4,845	4,847	4,107	4,058	4,050	4,621	4,408	4,405
Extra EU25 exports	146	147	147	60	80	75	148	150	150
Industrial	4	-	-	4	-	-	4	-	-
Food Use	-	-	-	-	-	-	-	-	-
Feed, Seed, Waste	4,640	4,600	4,600	4,000	3,900	3,900	4,410	4,150	4,150
TOTAL Use	4,644	4,600	4,600	4,004	3,900	3,900	4,414	4,150	4,150
Ending Stocks	87	98	100	43	78	75	59	108	105
TOTAL DISTRIBUTION	4,877	4,845	4,847	4,107	4,058	4,050	4,621	4,408	4,405

Commodity:	Sunflower Oil								
	2006/07			2007/08			2008/09		
	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)	USDA official	E48088	Post Estimate s (new)
Marketing Year Begin	10/2006			10/2007			10/2008		
Crush	5,501	5,600	5,600	4,350	4,350	4,350	5,550	5,250	5,250
Extraction Rate	0.400	0.422	0.422	0.400	0.423	0.423	0.400	0.422	0.422
Beginning Stocks	283	283	283	240	270	270	86	90	90
Production	2,200	2,365	2,365	1,740	1,840	1,840	2,220	2,215	2,215
Extra EU27 imports	1,184	1,171	1,171	1,100	1,100	1,060	1,300	1,300	1,300
TOTAL SUPPLY	3,667	3,819	3,819	3,080	3,210	3,170	3,606	3,605	3,605
Extra EU27 exports	149	148	148	120	100	100	125	130	130
Industrial	215	90	90	209	90	90	253	90	90
Biofuels	-	240	240	-	200	200	-	250	250
Food Use	3,060	3,050	3,050	2,663	2,710	2,670	3,125	3,000	3,000
Feed, Seed, Waste	3	21	21	2	20	20	2	22	22
TOTAL Use	3,278	3,401	3,401	2,874	3,020	2,980	3,380	3,362	3,362
Ending Stocks	240	270	270	86	90	90	101	113	113
TOTAL DISTRIBUTION	3,667	3,819	3,819	3,080	3,210	3,170	3,606	3,605	3,605

EU-27

The EU-27 estimates for sunflower meal imports and exports were slightly revised down for MY 2007/2008. The lower estimate for sun oil imports is attributed to France and has a direct effect on the oil food use.

The EU-27 expected sunflower seed production for MY 2008/2009 was slightly adjusted downward in response to lower yields reported by Romania. The drop in production in Romania is only partially offset by the higher production figures reported by several other Member States, among which France and Spain. The sunflower seeds exports were adjusted downwards in response to the production drop. The main sunflower seeds producers at EU-27 level continue to be France, Romania, Hungary, and Bulgaria with more than 1 MMT each. No significant changes are reported for sunflower meal and oil.

Comments from Member States

Bulgaria

Sunflower harvest is expected to start in mid-August and to take about 30 days. The crop is developing relatively well but farmers from Central Bulgaria report reduced yield potential due to ongoing dryness. The major concern at this point, however, are falling prices combined with overloaded ports and full storage facilities. Producers expect logistics issues which may lead to higher post-harvest losses.

France

French sunflower seed production in 2008 was slightly revised up from 1.35 million MT to 1.39 million MT, as a result of recently-published higher acreage than expected by the French Ministry of Agriculture.

Germany

The first official area estimate by the German Federal Office of Statistics (*destatis*) indicates a marginally larger sunflower area than previously expected. As a result, we expect the sunflower production to amount to 60,000 MT.

Romania

As a result of continuing lack of precipitation associated with consecutive days with high temperatures, the yields are expected to be lower than previously estimated. Nevertheless, the total sun seed production is expected to be more than doubled compared to last year.

Related Reports:

Report Number	Title	Date Released
E48088	Oilseeds Update July 2008 http://www.fas.usda.gov/gainfiles/200808/146295412.pdf	07/29/2008
E48073	Oilseeds Update June 2008 http://www.fas.usda.gov/gainfiles/200807/146295067.pdf	07/03/2008
E48062	Oilseeds Annual http://www.fas.usda.gov/gainfiles/200806/146294804.pdf	05/30/2008